

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA : 15-CR-252 (RJD)
v. :
WEBB, et al., : Brooklyn, New York
Defendants. : July 31, 2015

TRANSCRIPT OF CRIMINAL CAUSE FOR ARRAIGNMENT
BEFORE THE HONORABLE VERA M. SCANLON
UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

For the Government: United States Attorneys Office
BY: SAMUEL NITZE, ESQ.
KRISTIN MACE, ESQ.
EVAN NORRIS, ESQ.
Assistant United States Attorney
271 Cadman Plaza East
Brooklyn, New York 11201

For the Defendant: SEAN PATRICK CASEY, ESQ.
JOHN COURIEL, ESQ.
Kobre & Kim
800 Third Avenue
New York, New York 10022

Court Transcriber: SHARI RIEMER, CET-805
TypeWrite Word Processing Service
211 N. Milton Road
Saratoga Springs, New York 12866

Proceedings recorded by electronic sound recording,
transcript produced by transcription service

1 (Proceedings began at 3:01 p.m.)

2 (Audio is not clear during proceedings.)

3 THE CLERK: Criminal Cause for Arraignment, Case No.
4 15-CR-252, United States v. Alejandro Burzaco.

5 Counsel, your name for the record.

6 MR. NITZE: Sam Nitze, Kristin Mace and Evan Norris
7 for the Government. Good afternoon, Your Honor.

8 THE COURT: Good afternoon.

9 MR. CASEY: Sean Casey and John Couriel for Mr.
10 Burzaco. Good afternoon, Your Honor.

11 THE COURT: Good afternoon. So, Mr. Burzaco, we're
12 here for several reasons. The first is to make sure that you
13 understand the crimes that you're charged, make sure you
14 understand some of your rights in this proceeding and to
15 address the question of whether you should be released on bond
16 or held in jail.

17 So with regard to your rights. You have the right
18 to be represented by an attorney. If you can't afford an
19 attorney one will be appointed to represent you. I understand
20 you have retained counsel. Is that correct?

21 THE DEFENDANT: Yes, Your Honor.

22 THE COURT: Do you want Mr. Casey to represent you
23 here today, your attorney?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: So you want him to be your lawyer here

1 today?

2 THE DEFENDANT: Yes, Your Honor.

3 THE COURT: You also have the right to remain silent.

4 That means you don't have to say anything. If you've said
5 something in the past you don't need to say anything now. If
6 you start to speak you can stop. You should know that
7 anything you do say except to your attorney may be used
8 against you. Do you understand that?

9 THE DEFENDANT: Yes, Your Honor.

10 THE COURT: Have you seen this document, the
11 indictment?

12 THE DEFENDANT: Yes.

13 THE COURT: Have you read it?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: Have you paid particular attention to
16 Counts 1, 39 and 40 which I understand are the counts that
17 relate to you?

18 THE DEFENDANT: Yes, Your Honor.

19 THE COURT: Did you go over it with your attorney?

20 THE DEFENDANT: Yes, Your Honor.

21 THE COURT: Did he explain to you your rights in this
22 proceeding?

23 THE DEFENDANT: Yes, Your Honor.

24 THE COURT: Counsel, do you believe your client
25 understands the charges against him?

1 MR. CASEY: I do, Your Honor.

2 THE COURT: Did you go over his rights with him?

3 MR. CASEY: I have, Your Honor.

4 THE COURT: I'm going to read the indictment.

5 MR. CASEY: We'll waive reading.

6 THE COURT: So with regard to the counts against your
7 client which are 1, 39 and 40, is he prepared to plead?

8 MR. CASEY: He is, Your Honor.

9 THE COURT: How does he plea to those counts?

10 THE DEFENDANT: Not guilty.

11 THE COURT: So do you have any [inaudible - feedback
12 on microphone]?

13 MR. CASEY: I didn't hear the question.

14 THE COURT: I don't know.

15 MR. NITZE: We have a status conference scheduled
16 for September 18th at 11:30 before Judge Dearie and we have an
17 application [inaudible].

18 THE COURT: I think we'll do that first and then talk
19 about the bail package. Is there consular notification?

20 MR. CASEY: There is a [inaudible], Your Honor, but
21 we're going to waive that.

22 [Pause in proceedings.]

23 THE COURT: So, Mr. Burzaco, under the constitution
24 and laws of the United States you're entitled to a speedy and
25 public trial by a jury that commences within 70 days of the

1 date of an indictment. [Inaudible] of excludable delay,
2 meaning those periods of time don't count towards the
3 calculation of the 70 day period. If the Government fails to
4 bring you to trial within the 70 day time period that could be
5 the basis for you to bring a motion to dismiss the case
6 against you. By agreeing to the entry of an order of
7 excludable delay you're giving up the right to make the claim
8 that the Government didn't bring you to trial in the 70 day
9 period. That includes the period of excludable delay for
10 which you're asking which are from today, July 31st, through
11 September 18th. That's your next court appearance with the
12 district judge. Do you understand that?

13 THE DEFENDANT: Yes, Your Honor.

14 THE COURT: By agreeing to entry of the order of
15 excludable delay you cannot make the motion that the
16 Government didn't bring you to trial in the 70 day period that
17 includes those days between today and September 18th. Do you
18 understand that?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: Are you in agreement with the
21 application?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: Did you go over it with your attorney?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: Has anyone made any promises or threats

1 to get you to agree to the entry of an order of excludable
2 delay?

3 THE DEFENDANT: No.

4 THE COURT: So based on what's been said here today
5 and on the representations of counsel and [inaudible]
6 indictment which I believe will take significant time for the
7 parties to exclude -- sorry, sufficient time for the parties
8 to exchange evidence and go over it including outstanding
9 requests for evidence. I believe that time needs to be
10 excluded from today which is July 31st through September 18th.
11 I also believe the defendant is acting knowingly and
12 intentionally and the entry of the order is in the interest of
13 justice, the public and the defendant. So the time is
14 excluded and the application is granted.

15 [Pause in proceedings.]

16 THE COURT: So you have a bail application. Is that
17 right?

18 MR. NITZE: Yes, Judge. The Government is
19 consenting to a bail package proposed by the defendant. That
20 includes a \$20 million appearance bond signed by a number of
21 sureties, six sureties, including defendant's mother, sister
22 and brother. It's also secured and substantially secured by a
23 combination of cash, real property and the defendant's
24 interest in a business. Defense counsel can walk you through
25 the mechanics of the financial component [inaudible] do that.

1 The sureties, there are a number of additional
2 security measures that are outlined in Attachment A which I
3 believe you have before you. Just go through a few of those.
4 One is travel restriction to Eastern and Southern District --
5 Eastern and Southern Districts of New York. Another is home
6 detention at a residence pre-approved by the Federal Bureau of
7 Investigation and Pretrial Services. Electronic monitoring
8 with a requirement of written approval by the FBI and Pretrial
9 Services to leave the residence. There is a narrow category
10 of activities, visits with counsels, doctors and the like for
11 which notice is required [inaudible] authorization.

12 There is a private security service that has been
13 approved by our office and the FBI that will be monitoring
14 defendant's [inaudible] 24/7 [inaudible] monitoring his
15 whereabouts and the defendant -- as a condition of the bond
16 also he would be directed not to communicate with co-
17 defendants in the case and also individuals associated with a
18 number of entities that are listed on the [inaudible]
19 organizations that related to organized [inaudible] and
20 [inaudible] federation.

21 I guess the last thing I would add is that
22 significant to the Government's evaluation of risk of flight
23 is the fact that this defendant turned himself in to the
24 authorities overseas [inaudible] case and waived extradition
25 to come to the United States to face these charges.

1 In light of all those conditions and the proposed
2 facts that are set forth the Government [inaudible] package
3 [inaudible].

4 THE COURT: Counsel.

5 MR. CASEY: Your Honor, the financial conditions of
6 the bond are laid out in Attachment B. As Mr. Nitze said,
7 there is a substantial cash deposit going to be made with the
8 court, \$1 million in short order. I think by early next week.
9 And then \$2.3 million coming I think in approximately 60 days,
10 by October 1st. There are three real properties that are
11 going to be pledged to support this bond. Two of his sister
12 and one of a close friend. These are all in the United
13 States.

14 In addition, he's pledging his ownership,
15 [inaudible] interest in his ownership at a company known as
16 Corderos [Ph.]. He owns 20 percent of that company. It's
17 hard to put an exact dollar figure on the value of that but we
18 believe it's well in excessive of \$15 million. That
19 certificate is going to be deposited with the clerk of the
20 court and we're [inaudible] interest that the Government in
21 that piece of property.

22 In addition to that, we have [inaudible] six people
23 here, family, close friends as well as actually an [inaudible]
24 that did show up is [inaudible] to support him during this
25 time frame. All of the suretors are in the back of the

1 courtroom right now, Your Honor. I will just sort of go
2 through them if you'd like or I could answer any questions
3 [inaudible].

4 THE COURT: Why don't we have them come up, swear
5 them in and then have you do that so I can ask if they agree
6 with [inaudible].

7 MR. CASEY: Sure.

8 THE COURT: The sureties can come up.

9 MR. CASEY: Your Honor, it would be easiest if each
10 person introduce themselves to the court so their names are on
11 the record.

12 THE COURT: Who's not here? Two people need a
13 Spanish interpreter; right?

14 THE CLERK: The judge is going to ask you some
15 questions so I'm going to put you under oath. Please raise
16 your hands.

17 Suretors, Sworn

18 THE CLERK: Please state your name for the record and
19 speak loudly so you're recorded. Your name, please.

20 [All suretors stated their name but inaudible]

21 THE COURT: Thank you. All right. I thought you
22 said somebody was missing.

23 MR. CASEY: No, everyone is here. Actually
24 additional here people, Your Honor, supporting -- I think six.

25 THE COURT: We have an extra one. Okay. So why

1 don't you go through their financial status.

2 MR. CASEY: Yes. So Andrea Burzaco, Mr. Burzaco's
3 sister. As outlined there has substantial annual income of
4 approximately -- do you want the figures, Your Honor? Do you
5 want me to put them on the record?

6 THE COURT: Yes.

7 MR. CASEY: You do, okay. Approximate annual income
8 of [REDACTED] a year with a net worth of over [REDACTED]. Mr.
9 Burzaco's mother Eva [inaudible], my apologies. His mother is
10 retired but she has an annual income of approximately [REDACTED]
11 per year which is largely derived by her pension. Mr.
12 Santucci here, approximate income of [REDACTED] a year and a
13 substantial net worth as you can see there, Your Honor, in
14 excess of [REDACTED].

15 Mr. Burzaco's brother an annual income of [REDACTED]
16 per year and a net worth of just over [REDACTED] per year -- a
17 net worth of just over [REDACTED]. [Inaudible - telephone
18 ringing] my immediate right an annual income of [REDACTED] a
19 year and a net worth of [REDACTED] total. And Mariano Laza
20 [Ph.] to my right [inaudible] annual income of a little over
21 [REDACTED] per year and a net worth of [REDACTED].

22 THE COURT: The last two, their relationship to Mr.
23 Burzaco?

24 MR. CASEY: They are longtime friends. Also have
25 served as counsel to Mr. Burzaco in Argentina.

1 THE COURT: So for all the sureties, did you hear
2 what Mr. Burzaco's counsel said?

3 SURETIES: Yes.

4 THE COURT: As to you and your particular condition,
5 is what he said correct? Does everyone agree what he said is
6 correct?

7 SURETIES: Yes.

8 THE COURT: Let's go back to the real property
9 securing the bond.

10 MR. CASEY: Yes, Your Honor.

11 THE COURT: What's your proposal for when it's going
12 to be posted?

13 MR. CASEY: Your Honor, it's going to take about 14
14 days [inaudible] interest in the piece of property.

15 THE COURT: Is that good with the Government?

16 MR. NITZE: It is.

17 THE COURT: Any other information?

18 MR. CASEY: That is all, Your Honor. I did -- I
19 agree with everything Mr. Nitze has said. I can expand on
20 that if you'd like but I think he presents a very low risk of
21 flight certainly zeroed out by the substantial show of force
22 here and the assets that he pledged to the court and will
23 pledge to the court.

24 THE COURT: Then the stock certificate, when will
25 that be --

1 MR. CASEY: We're prepared to surrender his stock
2 certificate immediately and then the Government will have
3 possession [inaudible] included interest [inaudible]
4 Government in the stock certificate or the ownership
5 [inaudible] not that [inaudible] but [inaudible] interest in
6 it.

7 THE COURT: With regard to the private securities
8 [inaudible] we have sufficient discussions [inaudible] funds
9 available [inaudible]?

10 MR. CASEY: We have.

11 THE COURT: So for all the sureties, I'm going to
12 explain to Mr. Burzaco how this bond will work. I'm going to
13 ask you to listen and come back to you and see if you have any
14 questions and then if you're in agreement you can sign -- sign
15 the bond.

16 So, Mr. Burzaco, it's a \$20 million bond. I didn't
17 add it all up but I think it's partially secured by the
18 properties that are described in Attachment B which will be
19 posted immediately and others in the next couple of weeks.
20 There's going to be monies deposited immediately and then
21 subsequently before October 1st or by October 1st additional
22 monies are going to be deposited with the court.

23 So the way this works is if you fail to adhere to
24 the conditions of the bond, and I'm going to go over that and
25 they're listed on the front of the bond and on Attachment A,

1 then the United States Government is entitled to collect the
2 \$20 million. It can collect it from you and it could collect
3 it from any of these people individually. It can collect it
4 in whatever combination they want until they get the \$20
5 million. Do you understand that?

6 THE DEFENDANT: I understand, yes.

7 THE COURT: For everyone here and for you it's a
8 significant financial commitment.

9 The conditions of the bond include the following:
10 You are going to be supervised by the Pretrial Services
11 Agency. You're going to be subject to random visits by a
12 Pretrial Services Officer at your home or your place of work.
13 You're going to have to report to Pretrial Services as
14 directed by Pretrial Services. You're going to have to
15 surrender your passport or passports to the FBI by today. Do
16 you have one?

17 THE DEFENDANT: Yes.

18 THE COURT: The plan is for the FBI to hold onto
19 that, one --

20 MR. NITZE: Yes.

21 THE COURT: There's more than one; right?

22 MR. CASEY: There is.

23 THE COURT: The FBI is going to hold onto them but
24 you're not allowed to apply for any other passport.

25 You're going to have to remain and you can't leave

1 the Eastern and Southern Districts of New York. That's
2 Brooklyn, Queens, Staten Island, Nassau and Suffolk Counties
3 for the Eastern District. The Southern District of New York,
4 Manhattan, the Bronx, Westchester and a few more northerly
5 counties.

6 You cannot directly or indirectly associate or have
7 contact with your co-defendants or any individual employed by
8 or associated with the following entities. Any sports
9 marketing company identified in the indictment in this case.
10 We went over the fact that you had read the indictment so you
11 know what those are. That includes without limitation Tornaos
12 Incompetias S.A., Whole Play S.A. and the Traffic Group or
13 any subsidiary of affiliate of the foregoing companies.

14 I'm just going to spell this out because I'm not
15 good at pronouncing it. C-O-N-C-A-C-A-F and any affiliated or
16 constituent entity. C-O-N-M-E-B-O-L and any affiliated or
17 constituent entity and F-A and any affiliated or constituent
18 entity. Do you understand the conditions?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: You're also going to be subject to
21 electronic monitoring. There's going to be GPS monitoring and
22 home detention at a residence approved by the FBI and the
23 Pretrial Services. You're not supposed to be within 50 miles
24 of this courthouse. This is the United States District Court
25 for the Eastern District of New York. We're at 225 Cadman

1 Plaza East in Brooklyn, New York. You can leave your
2 residence only upon approval in writing by the FBI and the
3 Pretrial Services and the terms and conditions that are
4 approved in writing by the FBI and Pretrial Services except
5 that you can leave your home without approval for medical
6 emergencies. Attorney's visits, court dates, religious
7 services and shopping for food and other necessities may be
8 undertaken with notice to the FBI and Pretrial Services.

9 The Pretrial Services and the FBI will receive any
10 electronic GPS monitoring alerts and you have to pay the cost
11 of the electronic monitoring. Do you understand that?

12 THE DEFENDANT: Yes, I understand.

13 THE COURT: You also agree with the Government as a
14 condition of this bond that a private security service
15 approved by the United States Attorney's Office and the FBI
16 will monitor your physical location and provide security for
17 you 24 hours a day, seven days a week. That security service
18 will accompany you during all transit to and from your
19 residence. You may have private meetings with your attorney
20 of record in this case with the security service in
21 sufficiently close proximity to perform its duties. Do you
22 understand that requirement?

23 THE DEFENDANT: Yes, I understand.

24 THE COURT: Let me give you some additional warnings.
25 If you fail to come to court as directed or you violate any of

1 the conditions of release of this bond a warrant will issue
2 for your arrest and you may then be held without bond until
3 your trial. Your failure to appear may result in a charge of
4 bail jumping. It's a separate felony offense. It carries its
5 own term of imprisonment. You might be acquitted or cleared
6 or found not guilty of the underlying charges and yet still
7 have to go to jail simply because you didn't come to court as
8 directed. If you are convicted of the underlying charges the
9 sentence for bail jumping may be consecutive, meaning follow
10 on the sentence on the underlying crimes.

11 As part of the conditions of your bond you cannot
12 commit any crimes while out on bond. If you do so you may
13 face additional charges for the crime or crimes you're alleged
14 to have committed as well as increased punishment as a result
15 of any crime committed while on bond.

16 And you're not to threaten or attempt to influence
17 the testimony of any person who you think may be a witness
18 against you in your case. If you do that this bond will be
19 revoked and you may face additional charges for witness
20 tampering or obstruction of justice.

21 Do you understand all those warnings?

22 THE DEFENDANT: Yes.

23 THE COURT: So for the sureties, do you all
24 understand what I explained to Mr. Burzaco?

25 SURETIES: Yes.

1 THE COURT: Do you understand that you're putting
2 yourselves at significant financial risk? Do you understand
3 that?

4 SURETIES: Yes.

5 THE COURT: If he fails to adhere to the conditions
6 of the bond the Government is entitled to collect \$20 million
7 from any one of you or from you in combination and from him as
8 well, do you understand, until it gets the \$20 million? Do
9 you understand that?

10 SURETIES: Yes.

11 THE COURT: I think I've gone over all the
12 conditions. I hit everything.

13 MR. NITZE: Yes.

14 THE COURT: It's an unusually long bond. So each of
15 the sureties I'm going to pass this bond to you. If you can
16 just say your name and confirm that that's your signature on
17 the bond. The attachments are there, A and B. So they're
18 incorporated by reference into the bond. If you can just pass
19 it along. Do you want to start at one end? Say your name for
20 the record.

21 (Cannot hear suretors.)

22 THE COURT: Is that your signature?

23 FEMALE VOICE: Yes.

24 MALE VOICE: [Inaudible]

25 MR. CASEY: Ms. Andrea is here. She's the ex-wife of

1 Mr. Burzaco. She stepped up as a possible suretor but
2 [inaudible] left. She's not [inaudible].

3 FEMALE VOICE: [Inaudible]

4 MALE VOICE: [Inaudible]

5 THE COURT: I'm sorry, we tried to fix this. No success.
6 If you don't mind, do it again.

7 MALE VOICE: [Inaudible]

8 THE COURT: Thank you.

9 MALE VOICE: [Inaudible]

10 THE COURT: For the two individuals who are sureties
11 who speak Spanish, was the bond translated for you?

12 SURETIES: Yes, Your Honor.

13 THE COURT: So if you're in agreement with the bond
14 you should sign the bond. If you have any questions ask your
15 attorney [inaudible].

16 MR. CASEY: Your Honor, one last request. There's
17 identifying data, addresses and the like in the both the bond
18 and the attachments. We'd ask that both the bond and the
19 attachments to be redacted [inaudible].

20 THE COURT: What's the Government's position?

21 MR. NITZE: We consent to that.

22 THE COURT: So draft the redactions [inaudible]
23 that's the information that's redacted and then it's also --
24 some of that is also on the bond. So it would be also
25 redacted. Let's give you that that shows you what's been

1 redacted.

2 [Pause in proceedings.]

3 MR. CASEY: Thank you, Your Honor. Then on the bond
4 itself the court will --

5 THE COURT: We'll redact the addresses that are on
6 the bond.

7 [Pause in proceedings.]

8 THE COURT: Is the Government in agreement with the
9 redactions?

10 MR. NITZE: Yes.

11 THE COURT: So in the interest of [inaudible]
12 individuals their personal identifying information and
13 personal information is hereby redacted from the public filing
14 of the bond.

15 Anything else we need to cover today?

16 MR. NITZE: Nothing further from the Government.

17 MR. CASEY: No, Your Honor.

18 [Pause in proceedings.]

19 THE COURT: So the bond is the first page and then
20 there's also Attachment A, Attachment B and a copy for filing
21 and the addresses have been taken off the first page.

22 So we're going to [inaudible] on order for the
23 clerk's office to [inaudible].

24 Anything else? Good, Counsel?

25 MR. NITZE: Thank you, Your Honor.

20

1 MR. CASEY: Thank you, Your Honor.

2 THE COURT: Have a good weekend. Thank you everybody
3 for coming.

4 (Proceedings concluded at 3:29 p.m.)

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1 I certify that the foregoing is a court transcript from
2 an electronic sound recording of the proceedings in the above-
3 entitled matter.

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6 Shari Riemer, CET-805

7 Dated: August 21, 2015

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